

Farm Credit cooperative focused on...

PARTNERING FOR SUCCESS

Dave Armstrong
President and CEO



Our Co-op

- ❖ \$11 billion in assets
- ❖ \$605 million in patronage
- ❖ 27,000 members
- ❖ 580 employees, 36 locations
- ❖ 95% customer satisfaction
- ❖ Farm, agribusiness, country living, capital markets



Agricultural Industry Challenges

❖ COVID impacts:

- Farmers scrambled and adapted
- Processing and employee health challenges
- Commodity price yo-yo
- Mental health importance



❖ Increased conversation around environmental impacts and sustainability

❖ Infrastructure and rural broadband concerns

- ❖ SBA Paycheck Protection Program Loans as of 3/19/21
 - Submitted 4,100 member applications, securing them \$211 million in loans
 - Built new automation into SBA system

- ❖ MI Ag Safety Grants / MEDC Small Farm Grants
 - Helped nearly 500 farms and processors secure \$15,560,000 in grants
 - Built new application and submission process

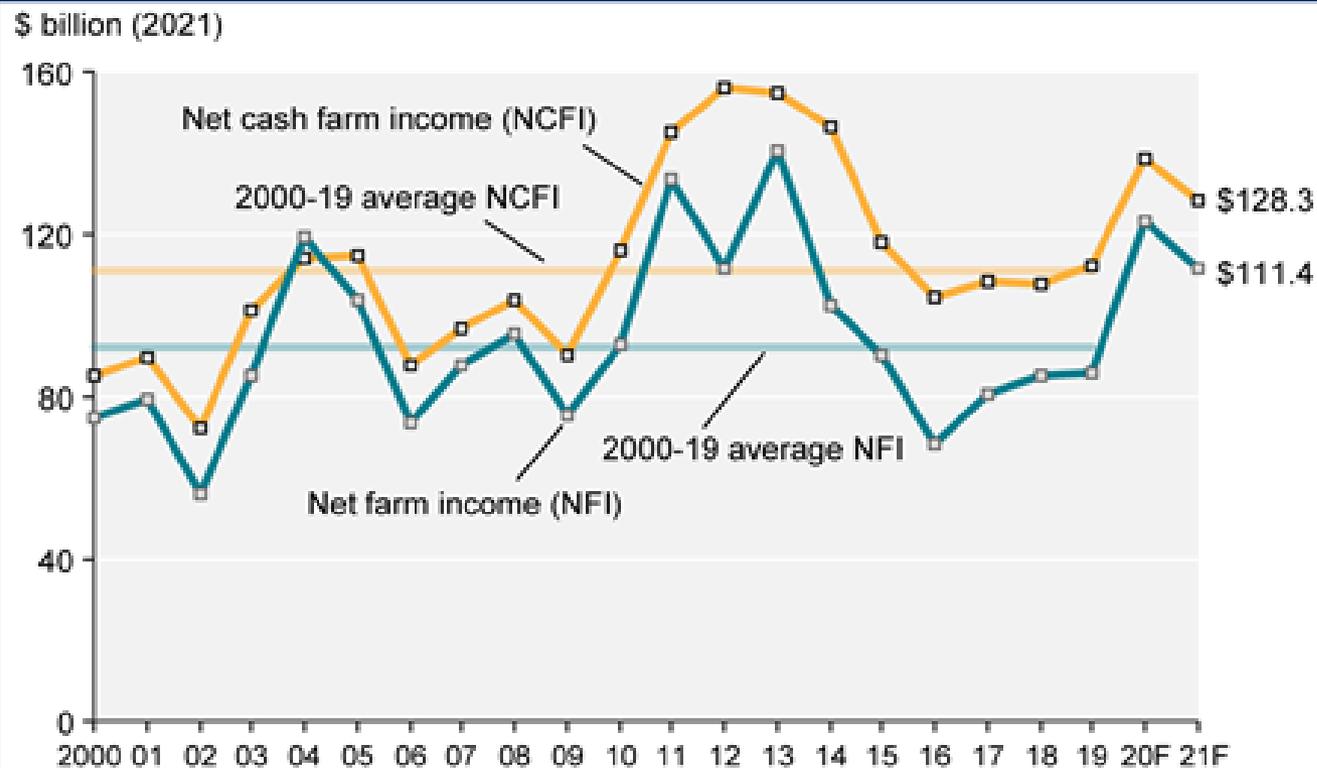
- ❖ MI Ag Disaster Loans
 - \$6.5 million low interest loans

Member Financial Support

Assistance during COVID-19

Cyclical Nature of Agriculture

U.S. net farm income and net cash farm income, 2000–21F



Note: F = forecast. Values are adjusted for inflation using the Gross Domestic Product chain-type price index, 2021=100.

Source: USDA, Economic Research Service, Farm Income and Wealth Statistics. Data as of February 5, 2021.

Agricultural Industry Outlook

- ❖ Interest rates near historical lows
- ❖ Land values remain steady, some strengthened
- ❖ Farm income supported with unprecedented government support in 2020
- ❖ Commodity prices (mainly crops) improved; poised for strong margins in 2021



Financial Strength

- ❖ Strong loan growth of 12.2%
- ❖ Solid loan portfolio performance, less than 2.7% adverse assets
- ❖ Strong capital position of \$2 billion of capital, 16% capital ratio
- ❖ Consistently strong profitability

Together



#PartnershipPays

- ❖ Record Patronage, \$605 Million Total
 - \$105 million returned to members in March
 - Returned 40% of net profits
- ❖ Reduced Interest Rate Loan Conversions
 - 12,000 loans converted to 1% lower rate in 2020
 - Saved members more than \$32 million in first year alone



Together
#PartnershipPays

...Thank you!